

COUNTY OF YORK

MEMORANDUM

DATE: June 6, 2002 (BOS Mtg. 6/18/02)

TO: York County Board of Supervisors

FROM: James O. McReynolds, County Administrator

SUBJECT: Revenue Stabilization Reserve Fund Loan to School Board for the Bethel Manor Elementary Addition/Renovation

By way of the attached letter, the School Division has requested that the County advance fund the second phase of the Bethel Manor Elementary Addition/Renovation project. The project was initially planned in two phases of \$1.5 million each. The first phase was scheduled for FY2002 and the second for FY2004. As is spelled out in the letter, funding the entire project now is anticipated to reduce the total project costs by approximately \$182,000.

To take advantage of this significant cost savings, the School Board initially proposed that the Board of Supervisors appropriate \$1.5 million from the Revenue Stabilization Reserve Fund to the School Capital Fund for support of Phase II of the project. However, subsequent to the date of the letter, the School Division received its FY2002 Department of Defense (DOD) payment of approximately \$515,000. Receipt of these funds reduces the request to \$985,000 (\$1,500,000 - \$515,000). If the Board approves the requested loan, the School Board has stated its intention to reimburse the Revenue Stabilization Reserve Fund from future DOD payments. The School Division has received such payments in each Fiscal Year since 1991, and they are anticipated to continue for the foreseeable future.

The Revenue Stabilization Reserve Fund was created in 1996. The Fund serves as a repository for any local funds made available through the receipt of Impact Aid payments in excess of the amount budgeted by the School Board. The balance of the Revenue Stabilization Reserve Fund is available primarily to supplement Impact Aid receipts should they fall below the amount budgeted. Through mutual agreement of the two boards, the balance in the Fund may be used for other purposes. The Fund currently contains approximately \$5 million.

I believe this is an appropriate use of the balance available in the Revenue Stabilization Reserve Fund and, given the recent federal appropriations for Impact Aid, do not believe that we are drawing the balance of the fund down to an unacceptable level.

I recommend approval of this appropriation through the adoption of proposed Resolution R02-127.

White/3737
Attachments
? Proposed Resolution R02-127
?? Dr. Staples Letter